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United States Senate

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COMMITTEE ON THE BUDGET

WASHINGTON, DC 20510-4904

January 5, 2009

The Honorable Max Baucus, Chairman The Honorable Charles Grassley, Ranking Member Senate Committee on Finance 219 Dirksen Senate Office Building Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Grassley:

I write to strongly urge you to incorporate long-term care reforms into any comprehensive health reform legislation considered by the Committee on Finance. For too long, long-term care has been synonymous with institutional care. Congress has a rare opportunity to redefine long-term care, and put real weight and spending power behind home and community-based long-term care options.

Studies tell us that people prefer to stay in their own homes than move into an assisted living facility. One Kaiser Family Foundation study showed that 74 percent of people preferred home and community-based care (HCBS) over nursing homes. We also know that home and community-based health care saves federal and state government money. The AARP estimates that Medicaid could pay for nearly three people utilizing home and community-based care for what it costs to place one person in a nursing home. States around the country, including Wisconsin, are making efforts to provide HCBS as an alternative to nursing home care; but for many states, the wait lists are long, the waiver process is difficult, and resources are thin.

For these reasons I'm urging you to use Wisconsin's Family Care program as a model for long-term care reform. Through this state entitlement program, long-term care consumers are able to choose where they live – whether it is in their own home, a community-based residential facility, or a nursing home – while accessing long-term care services. Family Care's flexibility is critical to its success; consumers work with social workers, registered nurses, and local Aging and Disability Resource Centers to identify what each consumer needs to remain a productive and independent citizen. Entitlement benefits can be used for such purposes as hiring help with basic daily tasks like bathing, dressing, or shopping, or with challenges like shoveling snow.

Long-term care consumers in the state are choosing to stay in their own homes, and saving the state money in the process. One independent assessment of Family Care estimates that the program saves the state \$1.2 million each month by allowing long-term care consumers to arrange for the care they need to remain independent, and out of the nursing home. If overwhelming popularity and savings weren't enough, counties with Family Care have seen decreases in nursing home admissions, emergency room use, and

hospital re-admittance. Instead, long-term care consumers are seeing their primary care physicians more to maintain and manage their health.

The fact is that federal, state, local, and individual expenditures on health care, including long-term care, are unsustainable. In 2007, the federal and state governments spent \$311 billion on long-term care, or just under 3 percent of the United States' gross domestic product. Home and community-based care, like that in Wisconsin, has proven to be a common sense way to realign our priorities while supporting the disabled, the elderly, and those who just need a little assistance to get by.

Thank you,

Russell D. Feingold United States Senate

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